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CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025

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## Independent Auditor's Report

To the Shareholders and the Board of Directors of  
Carbon Streaming Corporation

### Opinion

We have audited the consolidated financial statements of Carbon Streaming Corporation (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

## **Valuation of Carbon Credit Streaming and Royalty Agreements – Refer to Notes 3(c) and 8 of the financial statements**

### ***Key Audit Matter Description***

The Company's valuation for carbon credit streaming and royalty interests requires the Company to assess for changes in observable and unobservable inputs into their fair value models at each reporting date, according to IFRS 13, Fair Value Measurement. At each reporting date, the fair value of each streaming contract is determined using discounted cash flow models taking into consideration various observable and unobservable inputs, including the expected volumes and timing of the delivery and sale of verified carbon credits, assumptions around carbon credit pricing, an applicable risk-adjusted discount rate and other contractual terms of the agreement. Changes in these assumptions could have a significant impact on the fair value of the Company's carbon credit streaming and royalty interests.

Given the significant judgements made by management to estimate the fair value of carbon credit streaming and royalty interests relating to the determination of the various assumptions, such as discount rate, carbon credit pricing, and carbon credit generation, specifically due to the nature of the voluntary carbon credit industry, there is a high degree of significant auditor judgement required, as these estimates are subject to a high degree of estimation uncertainty. This resulted in an increased extent of audit effort including the use of fair value specialists.

### ***How the Key Audit Matter Was Addressed in the Audit***

Our audit procedures related to assessing management's determination of the fair value of carbon credit streaming and royalty interests included the following, among others:

- Perform risk assessment procedures to determine the agreements and inputs which are most susceptible to the risk of material misstatement;
- Obtain management's assessment of changes to observable and unobservable inputs since the initial fair value model;
- Involve our valuation specialists to assess the following changes to inputs into the fair value model;
  - Assess management's estimates of carbon credit production profiles
  - Assess management's valuation methodology
  - Develop an independent estimate of the discount rates for certain streams
  - Assess management's estimates of future carbon credit pricing
  - Assess the terms of subsequent transactions to evaluate potential impact on the fair value determined by management.
- Assess the disclosure of carbon credit streaming and royalty agreements, including disclosure relating to Level 3 financial instruments under IFRS 7, Financial Instruments: Disclosures

## Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Brenton Francis.

/s/ Deloitte LLP

Chartered Professional Accountants  
Vancouver, British Columbia  
March 30, 2026

CARBON STREAMING CORPORATION  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2025

(Amounts expressed in thousands of United States dollars, unless otherwise indicated)

	As at December 31, 2025	As at December 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 39,146	\$ 37,350
Carbon credit inventory	4	10
Prepaid expenses	238	591
Other receivables	37	828
	<b>39,425</b>	<b>38,779</b>
<b>Non-current assets</b>		
Carbon credit streaming and royalty agreements (Note 8)	7,057	9,081
Preferred Shares (Notes 5 and 9)	-	625
Finance lease receivable	33	198
<b>Total assets</b>	<b>\$ 46,515</b>	<b>\$ 48,683</b>
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 1,145	\$ 1,359
Warrant liabilities (Note 12)	31	188
Current portion of share unit liabilities (Note 15)	703	442
Current portion of lease liability	48	166
	<b>1,927</b>	<b>2,155</b>
<b>Non-current liabilities</b>		
Non-current portion of share unit liabilities (Note 15)	66	67
Non-current portion of lease liability	-	45
<b>Total liabilities</b>	<b>1,993</b>	<b>2,267</b>
<b>Shareholders' equity</b>		
Share capital (Note 13)	193,632	195,337
Share-based compensation reserve	7,760	7,660
Deficit	(156,870)	(156,581)
<b>Total shareholders' equity</b>	<b>44,522</b>	<b>46,416</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 46,515</b>	<b>\$ 48,683</b>

Approved on behalf of the Board:

"Marin Katusa"  
Director

"Marcel DeGroot"  
Director

CARBON STREAMING CORPORATION  
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(Amounts expressed in thousands of United States dollars, unless otherwise indicated)

	Year ended December 31, 2025	Year ended December 31, 2024
Revaluation of carbon credit streaming and royalty agreements (Note 8)	\$ (1,034)	\$ (58,155)
Revenue from sale of purchased carbon credits	30	640
Cost of purchased carbon credits sold	(7)	(480)
<b>Other operating expenses</b>		
Salaries and fees	(818)	(3,132)
Share-based compensation (Note 15)	(436)	(839)
Marketing	(46)	(435)
Professional & regulatory fees	(384)	(654)
Consulting fees	(31)	(434)
Insurance	(402)	(604)
Office and general	(447)	(761)
Foreign exchange gain (loss)	786	(305)
Corporate restructuring (Note 6)	(320)	(1,552)
Legal and litigation (Note 7)	(1,557)	(1,624)
<b>Other operating expenses</b>	<b>(3,655)</b>	<b>(10,340)</b>
<b>Operating loss</b>	<b>(4,666)</b>	<b>(68,335)</b>
<b>Other items</b>		
Loss from investment in associate	-	(25)
Gain on dissolution of associate	-	104
Impairment of early deposit interest receivable (Note 10)	-	(307)
Gain on contract settlement (Note 11)	1,333	-
Revaluation of derivative liabilities	-	680
Revaluation of warrant liabilities (Note 12)	56	642
Revaluation of preferred shares (Note 9)	(625)	(2,558)
Finance income	1,421	2,430
<b>Net loss and comprehensive loss</b>	<b>(2,481)</b>	<b>(67,369)</b>
<b>Basic and diluted loss per share (\$/share)</b>	<b>(0.05)</b>	<b>(1.34)</b>
<b>Weighted average number of Common Shares outstanding – basic and diluted</b>	<b>51,678,376</b>	<b>50,118,983</b>
<b>Number of Common Shares outstanding<sup>1</sup></b>	<b>49,059,053</b>	<b>52,704,753</b>

(1) Number of Common Shares outstanding is presented as at the relevant tabular reporting date.

CARBON STREAMING CORPORATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(Amounts expressed in thousands of United States dollars, unless otherwise indicated)

	Year ended December 31, 2025	Year ended December 31, 2024
<b>Operating activities</b>		
Net loss	\$ (2,481)	\$ (67,369)
Settlements from carbon credit streaming and royalty agreements (Note 8)	1,154	1,550
Cash paid in settlement of share-unit liabilities	(18)	(357)
<i>Items not affecting cash</i>		
Revaluation of carbon credit streaming and royalty agreements (Note 8)	1,034	58,155
Revaluation of derivative liabilities	-	(680)
Revaluation of warrant liabilities (Note 12)	(56)	(642)
Revaluation of preferred shares (Note 9)	625	2,558
Impairment of early deposit interest receivable (Note 10)	-	307
Gain on contract settlement (Note 11)	(1,333)	-
Other non-cash adjustments (Note 20)	(333)	851
Changes in non-cash operating working capital items (Note 20)	955	31
<b>Net cash used in operating activities</b>	<b>(453)</b>	<b>(5,596)</b>
<b>Investing activities</b>		
Additions to carbon credit streaming and royalty agreements (Note 8)	(164)	(8,064)
Dissolution of associate	-	256
Proceeds from contract settlement (Note 11)	1,333	-
Lease payments received from finance lease	185	186
Other investment	-	(350)
<b>Net cash generated from (used in) investing activities</b>	<b>1,354</b>	<b>(7,972)</b>
<b>Financing activities</b>		
Lease payments	(185)	(186)
Cash received on warrant exercises (Note 14)	328	-
<b>Net cash generated from (used in) financing activities</b>	<b>143</b>	<b>(186)</b>
<b>Net change in cash</b>	<b>1,044</b>	<b>(13,754)</b>
<b>Effect of foreign exchange on cash</b>	<b>752</b>	<b>(312)</b>
<b>Cash, beginning of period</b>	<b>37,350</b>	<b>51,416</b>
<b>Cash, end of period</b>	<b>39,146</b>	<b>37,350</b>

Please refer to Note 20 – Supplemental Cash Flow Information below for more information.

CARBON STREAMING CORPORATION  
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(Amounts expressed in thousands of United States dollars, unless otherwise indicated)

	<b>Share Capital</b>		<b>Share-based payment reserve</b>	<b>Deficit</b>	<b>Total</b>
	<b>Number</b>	<b>Amount</b>			
<b>Balance, December 31, 2023</b>	<b>47,421,219</b>	<b>\$ 194,433</b>	<b>\$ 7,482</b>	<b>\$ (89,212)</b>	<b>\$ 112,703</b>
Share-based compensation (Note 15)	-	-	178	-	178
Restricted share units converted (Note 15)	724,201	401	-	-	401
Shares issued for acquisition of Blue Dot (Note 5)	4,559,333	503	-	-	503
Net loss and comprehensive loss	-	-	-	(67,369)	(67,369)
<b>Balance, December 31, 2024</b>	<b>52,704,753</b>	<b>\$ 195,337</b>	<b>\$ 7,660</b>	<b>\$ (156,581)</b>	<b>\$ 46,416</b>

	<b>Share Capital</b>		<b>Share-based payment reserve</b>	<b>Deficit</b>	<b>Total</b>
	<b>Number</b>	<b>Amount</b>			
<b>Balance, December 31, 2024</b>	<b>52,704,753</b>	<b>\$ 195,337</b>	<b>\$ 7,660</b>	<b>\$ (156,581)</b>	<b>\$ 46,416</b>
Share-based compensation (Note 15)	-	-	100	-	100
Shares returned to treasury and cancelled (Note 13)	(4,539,180)	(2,189)	-	2,189	-
Shares abandoned and cancelled (Note 13)	(5,000)	(3)	-	3	-
Shares issued pursuant to warrant exercises (Note 14)	732,000	429	-	-	429
Restricted share units converted (Note 15)	166,480	58	-	-	58
Net loss and comprehensive loss	-	-	-	(2,481)	(2,481)
<b>Balance, December 31, 2025</b>	<b>49,059,053</b>	<b>\$ 193,632</b>	<b>\$ 7,760</b>	<b>\$ (156,870)</b>	<b>\$ 44,522</b>

## 1. Nature of operations

Carbon Streaming Corporation (“**Carbon Streaming**” or the “**Company**”) was incorporated on September 13, 2004, under the *Business Corporations Act* (British Columbia).

Carbon Streaming is a carbon credit streaming and royalty company focused on providing capital to carbon projects globally, primarily by entering into or acquiring streaming, royalty or other similar arrangements to purchase carbon credits from the underlying project and then generating cash flow from the sale of carbon credits.

The Company’s common shares (“**Common Shares**”) are listed on Cboe Canada (formerly the Neo Exchange) under the symbol “NETZ”, and the common share purchase warrants exercisable at \$7.50 until September 19, 2026 (“**September 2026 Warrants**”) are listed on Cboe Canada under the symbol “NETZ.WT.B”. The Common Shares are also listed on the Frankfurt Stock Exchange under the symbol “M2Q” and trade on the OTC Markets under the symbol “OFSTF”.

The Company’s registered address is Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8.

All financial information in this document is presented in thousands of United States dollars (“\$” or “US\$”) unless otherwise indicated. The Company has one operating segment related to carbon credit streaming and royalty agreements focused on projects located globally.

These consolidated financial statements (the “**Financial Statements**”) of the Company for the year ended December 31, 2025, were approved and authorized for issue by the Board of Directors on March 30, 2026.

## 2. Statement of compliance and basis of presentation

### *Statement of compliance*

These Financial Statements have been prepared in accordance with the IFRS® Accounting Standards as issued by the International Accounting Standards Board.

### *Basis of presentation*

These Financial Statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

### *Basis of consolidation*

These Financial Statements include the financial position, financial performance and cash flows of the Company and its subsidiaries. Intercompany balances, transactions, income and expenses, profits and losses, including gains and losses relating to its subsidiaries, have been eliminated on consolidation. The Company's subsidiaries as at December 31, 2025 are as follows:

Entity	Relationship	Geographic location	Economic interest	Basis of accounting
1253661 B.C. Ltd.	Subsidiary	Canada	100%	Consolidation
Blue Dot Carbon Corp.	Subsidiary	Canada	100%	Consolidation

### *Subsidiaries*

Subsidiaries are all entities over which the Company has exposure to variable returns from its involvement and has the ability to use power over the investee to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

In July 2024, the Company acquired a 100% interest in Blue Dot Carbon Corp. ("**Blue Dot**"), a subsidiary located in Canada. Please refer to Note 5 for further information.

## 3. Material accounting policy information

### (a) Cash

Cash on the consolidated statements of financial position comprises cash at banks which are readily convertible to cash and are subject to insignificant risk of changes in value.

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(b) Foreign currency translation

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. These Financial Statements are presented in United States dollars, which is the parent Company's functional and presentation currency. The functional currency of the Company's subsidiaries is also the United States dollar.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on the settlement of monetary items are recognized in profit or loss in the statement of comprehensive income in the period in which they arise, except when deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

(c) Carbon credit streaming and royalty agreements

Carbon credit streaming and royalty agreements consist of both agreements for the purchase and sale of carbon credits (streaming agreements) and royalty agreements on the sale of carbon credits or biochar/other co-products. A carbon credit streaming agreement is a contractual agreement whereby the Company, as the stream purchaser, makes an upfront deposit (in the form of cash, shares or other consideration) to a project partner, in return for the right to purchase all or a portion of the future carbon credits (including the emission reductions/removals and associated co-benefits) generated by a project or an asset over the term of the agreement.

Carbon credit streaming agreements are agreements that are settled through the delivery of carbon credits to the Company, the sale of said carbon credits by the Company to a third-party customer, and the remittance of an ongoing delivery payment, which is calculated based on the aforementioned sale of carbon credits, back to the project partner. This sequence results in the carbon credit streaming agreements generating net cash settlements for the Company ("**settlements**"). Additionally, these contractual arrangements, in certain circumstances, could result in the Company receiving cash upon expiry or termination of the contracts.

Under the contractual terms of these arrangements, the upfront deposit amount (as a contractual mechanism) is reduced as the carbon credit streaming agreements generate settlements to the Company.

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If, at the end of the term of the agreement, a minimum cumulative value of settlements has not been realized, the Company is entitled to receive the uncredited amount of the upfront deposit.

Additionally, although the Company's business model for these agreements is to take delivery and legal title of the carbon credits and subsequently sell the carbon credits for purposes of generating a profit, a portion of the proceeds from the sale of the carbon credits must be remitted to the project partner through the ongoing delivery payment described above. Typically, the Company retains a minority of the proceeds from each sale. Moreover, the Company's carbon credit streaming agreements may include certain parameters relating to sales to third-party customers; therefore, the Company cannot unilaterally direct the use of the carbon credits received under the carbon credit streaming agreements. For these reasons, the Company does not control (in accordance with IFRS Accounting Standards) the carbon credits received under the carbon credit streaming agreements before those carbon credits are sold to the final third-party customer, and the carbon credit streaming agreements are only realized through settlements. For the foregoing reasons, the carbon credit streaming agreements are accounted for as financial instruments. These agreements are initially and subsequently measured at fair value through profit or loss. At each reporting date, the fair value of each active streaming contract is determined using discounted cash flow models taking into consideration various observable and unobservable inputs, including the expected volumes and timing of the delivery and sale of carbon credits, assumptions around carbon credit pricing, an applicable risk-adjusted discount rate and other contractual terms of the agreement. Settlements generated through the delivery and sale of carbon credits under the streaming agreement (which are net of ongoing delivery payments) are recorded against the carrying value of the financial instrument.

Royalty agreements are settled in cash based on either the sale of carbon credits or biochar by the project partner or contractual cash flows. As a result, royalty agreements are also accounted for as financial instruments. These agreements are initially and subsequently measured at fair value through profit or loss. At each reporting date, the fair value of each active royalty contract is calculated using discounted cash flow models taking into consideration various observable and unobservable inputs, including the expected volumes and timing of the sale of verified carbon credits or biochar, assumptions around carbon credit or biochar pricing, the royalty percentage, an applicable risk-adjusted discount rate, the contractual cash flows, and other contractual terms of the agreement.

The Company's carbon credit streaming and royalty agreements are described further in Note 8.

(d) Preferred shares

Preferred shares held by the Company are initially and subsequently measured at fair value through profit or loss. At each reporting date, the fair value of the preferred shares is determined based on management's evaluation of both investee-specific and market-based factors, and such value is estimated using the best information available at the measurement date. Factors considered include changes in the performance of the investee, changes in the market price for carbon credits, changes in interest rates, changes in the valuation of comparable publicly-traded entities, and evidence from other transactions in the investee's equity or other indicators of market participant pricing. Changes to these variables could result in an

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increase or decrease in the fair value of the preferred shares. The preferred shares held by the Company are described further in Note 9.

(e) Financial instruments

i) *Recognition*

The Company recognizes a financial asset or financial liability on the consolidated statements of financial position when it becomes a party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled, or expired. An impairment of a financial asset (or a portion thereof) constitutes a derecognition event. An impairment occurs when the Company has no reasonable expectation of recovering the contractual cash flows of a financial asset.

ii) *Classification and measurement*

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss (“**FVTPL**”) or through other comprehensive income (“**FVTOCI**”); and,
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition depend on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- amortized cost;
- FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivative liabilities); or
- FVTOCI, when the change in fair value is attributable to changes in the Company’s credit risk.

The Company reclassifies financial assets when and only when its business model for managing those

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assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at FVTOCI or amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

Financial instruments measured at amortized cost utilize the effective interest method of accounting. The ‘effective interest rate’ is the rate that discounts estimated future cash payments over the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. The effective interest rate is calculated considering all contractual terms of the financial instruments, except for the expected credit losses of financial assets. Interest expense is reported in profit or loss.

The Company classifies its financial assets and liabilities under IFRS 9, *Financial Instruments* (“**IFRS 9**”), as follows:

Financial assets/liabilities	Classification
Cash	FVTPL
Other receivable	Amortized cost
Carbon credit streaming and royalty agreements	FVTPL
Preferred shares	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Warrant liabilities	FVTPL

*iii) Impairment of financial assets at amortized cost*

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

*(f) Earnings (loss) per share*

Basic earnings per share is computed by dividing net earnings available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share is

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computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of share options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding share options and warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. When a loss is incurred during the period, basic and diluted losses per share are the same since the exercise of the stock options and warrants is considered to be anti-dilutive.

(g) Share capital and warrants

Share capital represents the value of the shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital.

From time to time, the Company may issue units consisting of common shares and share purchase warrants. The Company accounts for unit offering proceeds between common shares and share purchase warrants using the residual value method, wherein the fair value of the common shares is based on recent transactions or the quoted market price and the balance, if any, is allocated to the attached warrants.

(h) Share-based compensation

The Company follows the fair value method of accounting for the issuance of stock options, restricted share units ("**RSUs**"), performance share units ("**PSUs**"), phantom share units ("**Phantom Units**") and director share units ("**DSUs**") granted to officers, employees, directors, and advisors.

The grant date fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility of the expected market price of the Company's common shares, and the expected life of the options. The number of stock option awards expected to vest is estimated using a forfeiture rate based on historical experience and future expectations.

The fair values of the RSUs, PSUs Phantom Units, and DSUs are determined by the quoted market price of the Company's common shares on the date of grant. Share-based compensation is amortized to profit or loss over the vesting period of the related option, RSU, PSU, Phantom Unit or DSU.

At the discretion of the Board of Directors (or committee), RSUs and PSUs may be settled in equity, cash, or a combination of both. The entity has a past practice of settling its RSUs and PSUs in cash. Additionally, Phantom Units and DSUs are settled in cash. Therefore, the fair value of the RSUs, PSUs, Phantom Units, and DSUs is recognized as a share-based compensation expense with a corresponding increase in liabilities over the vesting period.

The Company uses graded or accelerated amortization that specifies that each vesting tranche must be accounted for as a separate arrangement with a unique fair value measurement. Each vesting tranche is subsequently amortized separately and in parallel from the grant date.

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Option-pricing models require the use of subjective estimates and assumptions, including the expected stock price volatility, due to the short period of time the shares have traded on an active market relative to the life of the stock options. Changes in the underlying assumptions can materially affect the estimated fair value.

In situations where equity instruments are issued to non-employees and the fair value of some or all of the goods or services received by the Company as consideration cannot be estimated reliably, they are measured at the fair value of the share-based compensation. Otherwise, share-based compensation is measured at the fair value of goods or services received.

(i) Finance income

Finance income includes interest earned on the Company's cash. Finance income is recognized on an accrual basis.

(j) Income taxes

*Current income tax*

Current income tax assets and liabilities for the period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

*Deferred income tax*

Deferred income tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists

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to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(k) *Adoption of amendments to the IFRS Accounting Standards*

For the year ended December 31, 2025, the Company applied the following new amendments to the IFRS Accounting Standards that are mandatorily effective for reporting periods beginning on or after January 1, 2025:

- Amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates* (effective January 1, 2025) provides guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Management assessed no material impact on these Financial Statements on account of this amendment.

Additionally, the Company has not applied the following amendments to the IFRS Accounting Standards that have been issued but are not yet effective:

- Issuance of IFRS 18, *Presentation and Disclosures in Financial Statements* (“**IFRS 18**”) (effective January 1, 2027) that is intended to replace IAS 1, *Presentation of Financial Statements* (“**IAS 1**”) by carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements such as presentation of specified categories and defined subtotals in the statement of profit or loss, provision of disclosures on management-defined performance measures in the notes to the financial statements, and improved aggregation and disaggregation. The issuance of IFRS 18 also includes minor amendments to IAS 7, *Statement of Cash Flows* and IAS 33, *Earnings Per Share*. Management is currently assessing the impact of these amendments on the Company’s consolidated financial statements in future periods.
- Amendments to IFRS 9, *Financial Instruments* (effective for annual periods beginning on or after January 1, 2026) permits an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. The amendments also provide further guidance on the classification of financial assets by enhancing the description of the term ‘non-recourse’ and clarifying the characteristics of contractually linked instruments. Management does not expect the amendment to have a material impact on the Company’s consolidated financial statements in future periods. The Company will adopt the amendments effective January 1, 2026.
- Amendments to IFRS 7, *Financial Instruments: Disclosures* (effective for annual periods beginning on or after January 1, 2026) requires an entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognized in the period and the fair value gain or loss that relates to investments held at the end of the period. The amendments also require the disclosure of contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a

contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortized cost or fair value through other comprehensive income and each class of financial liability measured at amortized cost. Management does not expect the amendment to have a material impact on the Company's consolidated financial statements in future periods; however, additional disclosures may be required upon adoption. The Company will adopt the amendments effective January 1, 2026.

#### 4. Significant accounting estimates, judgments and assumptions

##### *Significant accounting judgments and estimates*

The preparation of these Financial Statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues, and expenses. Management uses historical experience and various other factors that it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. The effects related to accounting estimates are recognized prospectively by including them in profit or loss in the periods of change, if the change affects that period only, or in the period of the change or future periods, if the change affects both.

The preparation of these Financial Statements in accordance with IFRS Accounting Standards requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments and estimates in applying accounting policies in these Financial Statements include:

##### *Functional currency*

The determination of an entity's functional currency requires judgment where the operations of the Company change or currency indicators are mixed. Additionally, the timing of a change in functional currency is a judgment as the balance of currency indicators may change over time.

##### *Accounting for and valuation of carbon credit streaming and royalty agreements*

The Company holds carbon credit streaming and royalty agreements which are required to be remeasured at fair value at the end of each reporting period. Each carbon credit streaming or royalty agreement has its own unique terms, and significant judgment is required to assess the appropriate accounting treatment. Significant estimates and assumptions in the fair value assessment are included in Note 8.

##### *(i) Valuation of the Nalgonda Rice Farming Stream*

Management has exercised significant judgment in assessing the fair value of the Nalgonda Rice Farming

Stream. This assessment required consideration of updated project information, including changes in cost assumptions, expected carbon credit pricing, and broader market conditions affecting the project's economic viability. Based on this assessment, the Company determined the fair value of the Nalgonda Rice Farming Stream to be \$nil as at December 31, 2025. Please refer to Note 8 for further information..

#### *Share-based compensation*

The Company includes an estimate of share price volatility and share price on the date of issue in the calculation of the fair value for share-based compensation. These estimates are based on previous experience and may change throughout the life of an incentive plan. Such changes could impact profit and loss.

#### *Warrant liabilities*

The fair value of the warrant liabilities is measured using quoted prices or the Black-Scholes Option Pricing Model. For warrant liabilities that are valued using the Black-Scholes Option Pricing Model, assumptions and estimates are made in determining an appropriate share price volatility and share price on the date of issue. Any significant adjustments to the unobservable inputs would have a direct impact on the fair value of the warrant liabilities.

#### *Preferred Shares*

Management has exercised significant judgment in assessing the fair value of the Preferred Shares. In making this determination, management considered available market information, the absence of observable transactions, and other relevant valuation indicators, including potential strategic alternatives. Based on this assessment, the Company determined the fair value of the Preferred Shares to be \$nil as at December 31, 2025. Please refer to Note 9 for further information.

## 5. Acquisition of Blue Dot

On July 3, 2024, the Company completed its previously announced acquisition of Blue Dot, a private company with an equity investment in a carbon project developer and certain option rights to invest in future carbon projects of one of Blue Dot's partners. On closing, the Company issued to the shareholders of Blue Dot an aggregate of 4,559,333 Common Shares of the Company.

The acquisition was accounted for as an asset acquisition, as Blue Dot did not meet the criteria for a business under IFRS 3, *Business Combinations* as the significant inputs and processes that constitute a business were not identified. As a result, the Common Shares issued as consideration were valued at \$503 based on the fair value of the assets acquired and liabilities assumed based on available information at the time of the acquisition.

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	<b>As at July 3, 2024</b>
<b>Assets</b>	
Cash	\$ 18
Preferred shares (Note 9)	625
<b>Liabilities</b>	
Accounts payable and accrued liabilities	140
<b>Fair value of the assets acquired and liabilities assumed</b>	<b>503</b>

## 6. Corporate restructuring

For the year ended December 31, 2025, the Company recognized a corporate restructuring charge of \$320 (year ended December 31, 2024 – corporate restructuring charge of \$1,552) primarily related to severance and other termination benefits and other professional fees.

For the year ended December 31, 2025, the Company revised the presentation of certain expenses within the consolidated statement of loss to separately present corporate restructuring costs and legal and litigation costs, which were previously presented within a single line item. Please refer to Note 7.

## 7. Legal and Litigation

In 2024, the Company formed an independent special committee of the Board of Directors to conduct a review of certain of the Company's executives. In April 2025, the Company announced that it had filed a lawsuit in the Ontario Superior Court of Justice against several former executives, directors, consultants, and associated entities. Additionally, the Company has incurred costs related to legal proceedings and disputes related to the Company's carbon credit streaming and royalty agreements.

For the year ended December 31, 2025, the Company recognized legal and litigation expenses of \$1,557 (year ended December 31, 2024 – \$1,624) primarily related to professional fees and other costs associated with the matters described above.

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8. Carbon credit streaming and royalty agreements

The following table is a summary of the changes in carbon credit streaming and royalty agreements for the year ended December 31, 2025 and the year ended December 31, 2024:

	Balance December 31, 2024	Additions	Settlements	Fairvalue adjustments	Balance December 31, 2025
Cerrado Biome Stream	63	-	(2)	-	61
Waverly Biochar Stream	1,608	-	-	(554)	1,054
Community Carbon Stream	3,686	-	(608)	1,142	4,220
Nalgonda Rice Farming Stream	946	-	-	(946)	-
Enfield Biochar Stream	274	-	-	128	402
Azuero Reforestation Stream	604	164	-	(349)	419
Waverly Biochar Royalty	392	-	-	(121)	271
Amazon Portfolio Royalty	1,394	-	(544)	(334)	516
Enfield Biochar Royalty	114	-	-	-	114
<b>Total</b>	<b>9,081</b>	<b>164</b>	<b>(1,154)</b>	<b>(1,034)</b>	<b>7,057</b>

	Balance December 31, 2023	Additions	Settlements	Fairvalue adjustments	Balance December 31, 2024
Rimba Raya Stream	33,728	-	-	(33,728)	-
Magdalena Bay Blue Carbon Stream	3,227	-	-	(3,227)	-
Cerrado Biome Stream	456	132	(50)	(475)	63
Waverly Biochar Stream	2,460	750	-	(1,602)	1,608
Sustainable Community Stream	2,972	-	-	(2,972)	-
Community Carbon Stream	7,672	5,126	(1,071)	(8,041)	3,686
Nalgonda Rice Farming Stream	1,212	400	-	(666)	946
Enfield Biochar Stream	822	-	-	(548)	274
Sheep Creek Reforestation Stream	1,435	820	(3)	(2,252)	-
Feather River Reforestation Stream	280	370	(1)	(649)	-
Baccala Ranch Reforestation Stream	-	-	-	-	-
Azuero Reforestation Stream	-	1,066	-	(462)	604
Waverly Biochar Royalty	600	-	-	(208)	392
Bonobo Peace Forest Royalty	1,519	-	-	(1,519)	-
Amazon Portfolio Royalty	3,464	-	(425)	(1,645)	1,394
Enfield Biochar Royalty	275	-	-	(161)	114
<b>Total</b>	<b>60,122</b>	<b>8,663</b>	<b>(1,550)</b>	<b>(58,155)</b>	<b>9,081</b>

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*Settlements*

Settlements reflect the net cash proceeds generated from the Company's carbon credit streaming and royalty agreements. For the year ended December 31, 2025, the Company recognized \$1,154 in settlements (year ended December 31, 2024 – \$1,550).

*Fair value adjustments*

As at December 31, 2025, management assessed the fair value of the carbon credit streaming and royalty agreements by considering changes in the respective inputs into the fair value model as described below. The Company recognized a net loss on the revaluation of the carbon credit streaming and royalty agreements of \$1,034 for the year ended December 31, 2025 (year ended December 31, 2024 – net loss of \$58,155). The net loss on revaluation of carbon credit streaming and royalty agreements for the year ended December 31, 2025 was primarily related to revisions in expectations of the timing of the delivery and sale of carbon credits, changes to the carbon credit production and sales profile, and the decrease in the fair value of the Nalgonda Rice Farming Stream to nil, partially offset by the increase in the fair value of the Community Carbon Stream, resulting from a lower risk-adjusted discount rate, and accretion due to the passage of time.

In the third quarter of 2025 and October 2025, the Company entered into separate repayment agreements with each of the counterparties to the Amazon Portfolio Royalty. Under the terms of the repayment agreements, the Company expects to collect approximately \$1,060 by the second quarter of 2026. During the terms of these repayment agreements, the obligations of each counterparty under the Amazon Portfolio Royalty will be suspended. Upon full receipt of the repayment, the Amazon Portfolio Royalty will be deemed satisfied and terminated, and the parties will have no further rights or obligations related thereto. If either counterparty breaches its respective repayment agreement, that counterparty will remain obligated to fulfill its obligations under the original terms of the Amazon Portfolio Royalty. During the year ended December 31, 2025, the Company collected \$544 under the repayment agreements, and by the end of March 2026, cumulative collections totaled \$860 under the repayment agreements.

For the year ended December 31, 2025, the Company recognized a decrease in the fair value of the Nalgonda Rice Farming Stream to \$nil. In the fourth quarter of 2025, updated project information indicated a significant increase in estimated project operating costs, resulting in a materially higher carbon price required for the project to operate on an economically viable basis. In addition, the Company considered current conditions in the voluntary carbon market and the resulting impact on the marketability of credits expected to be generated from the project. As a result of these factors, the Company determined that the Nalgonda Rice Farming Stream is not expected to generate economic benefits and recognized a reduction in its fair value to \$nil as at December 31, 2025.

Subsequent to December 31, 2025, in March 2026, the Company entered into an agreement with the project counterparty to sell its interest in the Community Carbon Stream together with certain related carbon credit inventory (the "**Community Carbon Buyout Agreement**") for a total consideration of \$6,000. The consideration of the Community Carbon Buyout Agreement consists of a non-refundable deposit of \$100 which was paid on March 23, 2026, a closing payment of \$4,900 payable on or before May 30, 2026, and \$1,000 for the purchase of carbon credits held in inventory, payable in four installments on or before July 1,

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2026, October 1, 2026, January 1, 2027 and April 1, 2027. The purchaser may elect to accelerate the purchase of the carbon credit inventory. As the Community Carbon Buyout Agreement was entered into subsequent to the reporting date, it has been disclosed as a subsequent event and may result in the recognition of a gain on contract settlement in a future reporting period.

The fair value of carbon credit streaming and royalty agreements is estimated using discounted cash flow models, taking into consideration the following observable and non-observable inputs:

- Management’s estimates of expected volumes and timing of the delivery and sale of carbon credits (“**carbon credit production and sales profiles**”);
- Changes to carbon credit pricing assumptions, taking into consideration historical realized prices and overall market volatility of voluntary carbon credit pricing (“**carbon credit pricing assumptions**”);
- Changes to the contractual terms of the underlying stream and royalty agreements;
- Changes in the risk-free interest rate;
- Changes to the inflation assumption applied to the nominal cash flows;
- Changes in project-specific risk factors, taking into consideration, among other things, legal, regulatory, political, and methodology risks; and
- Accretion due to the passage of time.

The following significant level 3 unobservable inputs were used to measure the Company’s carbon credit streaming and royalty agreements using the discounted cash flow models. Note that the carbon credit production and sales estimated values provided in the table below are per individual project on a 100% project basis and not aggregated.

Description of unobservable inputs	Range of unobservable inputs for carbon credit streaming and royalty agreements – Year ended December 31, 2025	Range of unobservable inputs for carbon credit streaming and royalty agreements – Year ended December 31, 2024
Carbon credit production and sales profiles	<b>Agriculture, forestry and other land-use projects:</b> 0.002 million to 0.362 million carbon credits produced and sold per year, over 25-year terms, with an average of 0.047 million carbon credits per year.	<b>Agriculture, forestry and other land-use projects:</b> 0.002 million to 0.160 million carbon credits produced and sold per year, over 24-year terms, with an average of 0.038 million carbon credits per year.
	<b>Other nature-based projects:</b> 0.012 million to 0.327 million carbon credits produced and sold per year, over 24-year terms, with an average of 0.097 million carbon credits per year.	<b>Other nature-based projects:</b> 0.026 to 0.441 million carbon credits produced and sold per year, over 9-year to 26-year terms, with an average of 0.161 million carbon credits per year.
	<b>Biochar projects:</b> 0.001 million to	<b>Biochar projects:</b> 0.001 million to

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Description of unobservable inputs	Range of unobservable inputs for carbon credit streaming and royalty agreements – Year ended December 31, 2025	Range of unobservable inputs for carbon credit streaming and royalty agreements – Year ended December 31, 2024
	0.011 million carbon credits produced and sold per year, over 25-year to 30-year terms, with an average of 0.006 million carbon credits per year.	0.011 million carbon credits produced and sold per year, over 25-year to 30-year terms, with an average of 0.006 million carbon credits per year.
	<b>Other projects:</b> 0.0003 million to 1.3793 million carbon credits produced and sold per year, over 8-year terms, with an average of 1.259 million carbon credits per year.	<b>Other projects:</b> 0.002 million to 1.539 million carbon credits produced and sold per year, over 11-year terms, with an average of 1.334 million carbon credits per year.

The relationship of the unobservable input to fair value is that as carbon credit production and sales profiles increase, the fair value increases.

Description of unobservable inputs	Range of unobservable inputs for carbon credit streaming and royalty agreements – Year ended December 31, 2025	Range of unobservable inputs for carbon credit streaming and royalty agreements – Year ended December 31, 2024
Carbon credit pricing assumptions	<b>Agriculture, forestry and other land-use projects:</b> \$5.00 per carbon credit produced and sold.	<b>Agriculture, forestry and other land-use projects:</b> \$5.00 per carbon credit produced and sold.
	<b>Other nature-based projects:</b> \$75.00 per carbon credit produced and sold.	<b>Other nature-based projects:</b> \$8.00 to \$75.00 per carbon credit produced and sold.
	<b>Biochar projects:</b> \$110.00 per carbon credit produced and sold.	<b>Biochar projects:</b> \$110.00 per carbon credit produced and sold.
	<b>Other projects:</b> \$1.50 to \$3.50 per carbon credit produced and sold.	<b>Other projects:</b> \$2.00 to \$3.50 per carbon credit produced and sold.

The relationship of the unobservable input to fair value is that as the carbon credit pricing assumptions increase, the fair value also increases.

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Description of unobservable inputs	Range of unobservable inputs for carbon credit streaming and royalty agreements – Year ended December 31, 2025	Range of unobservable inputs for carbon credit streaming and royalty agreements – Year ended December 31, 2024
Risk-adjusted discount rate	<b>Agriculture, forestry and other land-use projects: 25.6%</b>	<b>Agriculture, forestry and other land-use projects:</b> 25.6% to 26.3%, with an average discount rate of 25.9%.
	<b>Other nature-based projects: 17.8%</b>	<b>Other nature-based projects:</b> 18.1% to 27.2%, with an average discount rate of 22.6%.
	<b>Biochar projects: 26.0% to 28.0%,</b> with an average discount rate of 27.0%.	<b>Biochar projects: 26.0% to 28.0%,</b> with an average discount rate of 27.0%.
	<b>Other projects: 24.5%</b>	<b>Other projects: 29.8%</b>

The relationship of the unobservable input to fair value is that as the risk-adjusted discount rate increases, the fair value decreases.

For the year ended December 31, 2025, the impact of a 10% increase and 10% decrease in the estimated carbon credit production and sales profiles, with all other variables held constant, would result in an increase and decrease in the fair value of the carbon credit streaming and royalty agreements of \$552 and \$509, respectively (year ended December 31, 2024 – \$608 and \$612, respectively).

For the year ended December 31, 2025, the impact of a 10% increase and 10% decrease in the estimated carbon credit pricing assumptions, with all other variables held constant, would result in an increase and decrease in the fair value of the carbon credit streaming and royalty agreements of \$609 and \$563, respectively (year ended December 31, 2024 – \$556 and \$559, respectively).

For the year ended December 31, 2025, the impact of a 10% increase and 10% decrease in the risk-adjusted discount rate (as a percentage increase or decrease applied to the risk-adjusted discount rate), with all other variables held constant, would result in a decrease and increase in the fair value of the carbon credit streaming and royalty agreements of \$486 and \$668, respectively (year ended December 31, 2024 – \$845 and \$1,004, respectively).

## 9. Preferred Shares

In July 2024, the Company acquired 0.2 million preferred shares in Imperative Global Group Inc. (“**Imperative**”) through the acquisition of Blue Dot described in Note 5. Holders of preferred shares in Imperative (the “**Preferred Shares**”) vote as a single class together with other equity holders of Imperative. In the event of any voluntary or involuntary liquidation, dissolution or winding up of Imperative or a deemed

liquidation event, the holders of the Preferred Shares then outstanding shall be entitled to be paid out of the assets of Imperative available for distribution prior to the other equity holders.

As there are no observable quoted prices for the preferred shares of Imperative, management evaluated both investee-specific and market-based factors to determine whether a significant change in the fair value of the Preferred Shares may have occurred. Factors that were considered include changes in the performance of the investee, changes in the market price for carbon credits, changes in interest rates, changes in the valuation of comparable publicly-traded entities, and evidence from other transactions in the investee's equity. During the three months ended December 31, 2025, the Company also evaluated strategic alternatives with respect to the Preferred Shares, including the potential sale of the investment at a significant discount, and considered available market information and other valuation indicators. Based on this assessment, together with the absence of recent priced equity transactions and broader market conditions, the Company determined the fair value of the Preferred Shares to be \$nil as at December 31, 2025.

In May 2023, the Company invested \$2,000 into the parent company of Mast Reforestation SPV I, LLC (since renamed to Legacy Reforestation SPV I, LLC), Droneseed Co. d/b/a Mast Reforestation through a convertible note. In October 2023, the convertible note converted into preferred shares of Droneseed Co. upon the execution of a qualifying financing event, resulting in 1.3 million preferred shares of Droneseed Co. being issued to the Company. As at December 31, 2024, due to challenges experienced by the Sheep Creek Reforestation Stream, the Company determined that the fair value of these preferred shares would be \$nil.

In the fourth quarter of 2025, the Company entered into a Mutual Release and Settlement Agreement with Mast Reforestation SPV I, LLC (since renamed to Legacy Reforestation SPV I, LLC) and Droneseed Co. d/b/a Mast Reforestation (collectively, "**Mast**") in connection with the Sheep Creek Reforestation Stream and the Feather River Reforestation Stream. The key terms of the settlement agreement include: the Company received \$500 from Mast and all legal relationships between Mast and the Company are terminated. In addition, the Company returned the preferred shares to Droneseed Co. and the parties agreed to a mutual release. Please refer to Note 11 below for more information.

## 10. Early deposit interest receivable

On July 12, 2022, the Company executed a term sheet with Citadelle Maple Syrup Producers' Cooperative ("**Citadelle**") pursuant to which the Company provided \$307 of upfront funding for a grouped sugar maple afforestation, reforestation, revegetation and ecosystem restoration project in Quebec, Canada. The initial funding from the Company enabled Citadelle to achieve initial planting in the Fall 2022 and was intended to support additional plantings. In the third quarter of 2023, the Company chose not to move forward with the project and due to continued uncertainty regarding the timing and collectability of the early deposit interest receivable, the Company recognized an impairment loss on the entire carrying amount of \$307 in the quarter ended June 30, 2024. Please refer to Note 11 below for details regarding the Company's settlement with Citadelle.

## 11. Contract Settlement

In the second quarter of 2025, the Company reached a settlement with Citadelle under which it would receive \$183 in full and final resolution of the initial funding provided by the Company. The settlement amount of \$183 was recognized as a gain from contract settlement in June 2025 and was collected in July 2025.

During the third quarter of 2025, the Company completed the implementation of the terms of the settlement agreements entered into in July 2025 (the “**IE Settlement Agreements**”) with InfiniteEARTH Limited, its Indonesian subsidiary PT InfiniteEARTH Nusantara, and certain shareholders and principals of InfiniteEARTH (collectively, “**InfiniteEARTH**”), in connection with the Rimba Raya Stream. As part of the settlement, the Company received \$650 in cash from InfiniteEARTH; certain principals of InfiniteEARTH surrendered for cancellation, 4,539,180 Common Shares in the capital of the Company issued in connection with the Strategic Alliance Agreement; all existing contracts and legal relationships between Carbon Streaming and InfiniteEARTH were terminated; and the arbitration proceedings and the civil claim in the Ontario Superior Court of Justice were dismissed.

The 4,539,180 Common Shares of the Company surrendered and cancelled were deducted from share capital at a value of \$2,189, which is based on the share price of the Company’s Common Shares as at the date of settlement. The corresponding adjustment has been recognized in the Company’s deficit during the year ended December 31, 2025. The \$650 received from InfiniteEARTH has been recognized as a gain from contract settlement in the Company’s profit or loss for the year ended December 31, 2025.

Additionally, in the third quarter of 2025, the Company reached a settlement with Fundación MarVivo México, A.C. and MarVivo Corporation (collectively, “**MarVivo**”) in connection with the Magdalena Bay Blue Carbon Stream. The Company accepted the abandonment of the project by the counterparties, retained certain rights for a seven-year period should the project be reactivated, and all parties agreed to a mutual release.

In the fourth quarter of 2025, the Company entered into a Mutual Release and Settlement Agreement with Mast in connection with the Sheep Creek Reforestation Stream and the Feather River Reforestation Stream. The key terms of the settlement agreement include: the Company received \$500 from Mast and all legal relationships between Mast and the Company are terminated. In addition, the Company returned the preferred shares to Droneseed Co. and the parties agreed to a mutual release. As the Sheep Creek Reforestation Stream, the Feather River Reforestation Stream and the preferred shares in Droneseed Co. had previously been written down to \$nil, the settlement amount resulted in a gain on contract settlement of \$500 for the year ended December 31, 2025.

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The following table summarizes the gain on contract settlement for the year ended December 31, 2025:

	<b>Gain amount</b>
Settlement with Citadelle	\$ 183
Settlement with InfiniteEARTH	650
Settlement with Mast	500
<b>Total gain on contract settlement</b>	<b>\$ 1,333</b>

## 12. Warrant liabilities

The following table summarizes the changes in the warrant liabilities for the Company's Canadian dollar ("C\$") denominated warrants for the year ended December 31, 2025 and the year ended December 31, 2024:

	<b>Number of warrants</b>	<b>Amount</b>
<b>Balance, December 31, 2023</b>	<b>12,309,539</b>	<b>\$ 830</b>
Revaluation of warrant liabilities	-	(642)
<b>Balance, December 31, 2024</b>	<b>12,309,539</b>	<b>\$ 188</b>
Exercises	(732,000)	(101)
Expiries and surrenders	(356,793)	(5)
Revaluation of warrant liabilities	-	(51)
<b>Balance, December 31, 2025</b>	<b>11,220,746</b>	<b>\$ 31</b>

As at December 31, 2025, the Company's common share purchase warrants, exercisable at C\$7.50 until March 2, 2026 (the "**March 2026 Warrants**") were listed on Cboe Canada. For these warrants, the fair value was determined by reference to the quoted closing price at the date of the statement of financial position. The fair value of the Company's remaining C\$ denominated unlisted warrants has been determined using the Black-Scholes Option Pricing Model and the following weighted average assumptions:

	<b>As at December 31, 2025</b>	<b>As at December 31, 2024</b>
Spot price (in C\$)	\$ 0.83	\$ 0.50
Risk-free interest rate	2.09 %	2.92 %
Expected annual volatility	86 %	89 %
Expected life (years)	0.07	1.11
Dividend	Nil	nil

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The following table reflects the Company's C\$ denominated warrants outstanding and exercisable as at December 31, 2024:

<b>Expiry date</b>	<b>Warrants outstanding and exercisable</b>	<b>Weighted average exercise price (C\$)</b>	<b>Fair value methodology</b>
April 22, 2025	312,000	0.625	Black-Scholes Option Pricing Model
December 16, 2025	128,000	0.625	Black-Scholes Option Pricing Model
December 22, 2025	648,000	0.625	Black-Scholes Option Pricing Model
January 27, 2026	2,615,500	3.75	Black-Scholes Option Pricing Model
March 2, 2026	8,606,039	7.50	Quoted price
	<b>12,309,539</b>	<b>6.10</b>	

The following table reflects the Company's C\$ denominated warrants outstanding and exercisable as at December 31, 2025:

<b>Expiry date</b>	<b>Warrants outstanding and exercisable</b>	<b>Weighted average exercise price (C\$)</b>	<b>Fair value methodology</b>
January 27, 2026	2,615,500	3.75	Black-Scholes Option Pricing Model
March 2, 2026	8,605,246	7.50	Quoted price
	<b>11,220,746</b>	<b>6.63</b>	

Out of the above, 11,220,746 warrants expired on their respective expiry dates in the first quarter of 2026 (i.e., subsequent to year-end) without any exercises.

### 13. Share capital

#### *Authorized share capital*

The Company has an unlimited number of voting Common Shares without par value and unlimited number of preferred shares without par value authorized.

#### *Issued share capital*

As at December 31, 2025, there were 49,059,053 issued and fully paid Common Shares (December 31, 2024 – 52,704,753).

During the year ended December 31, 2025, pursuant to the IE Settlement Agreements, the Company received 4,539,180 of its own Common Shares from the principals of InfiniteEARTH; these shares were immediately cancelled upon receipt. The corresponding adjustment was recognized in the Company's deficit at the share price of the Company's Common Shares as at the date of settlement. Please refer to Note 11 for further information.

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During the year ended December 31, 2025, the Company issued 166,480 Common Shares for the settlement of RSUs and 732,000 Common Shares pursuant to the exercise of issued warrants.

During the year ended December 31, 2025, the Company received 5,000 of its own Common Shares pursuant to a voluntary abandonment by a shareholder; these shares were immediately cancelled upon receipt.

During the year ended December 31, 2024, the Company issued 4,559,333 Common Shares to the shareholders of Blue Dot as consideration for the acquisition of Blue Dot. The common shares were valued at the fair value of the assets acquired and liabilities assumed of \$503. Please refer to Note 5 for further information.

During the year ended December 31, 2024, the Company also issued 724,201 Common Shares for the settlement of RSUs.

#### 14. Warrants

During the year ended December 31, 2025, the following activity took place with respect to the issued warrants of the Company:

- 312,000 warrants with an exercise price of C\$0.625 expired on April 22, 2025.
- 44,000 warrants with an exercise price of C\$0.625 expired on December 22, 2025.
- 732,000 warrants with an exercise price of C\$0.625 were exercised by the holders during the three months ended December 31, 2025. The Company received \$328 from the holders of the warrants.
- 793 March 2026 Warrants and 1,500 September 2026 Warrants were surrendered during the three months ended December 31, 2025.

During the year ended December 31, 2024, there was no activity with respect to the issued warrants of the Company. As at December 31, 2025, the total number of outstanding warrants issued by the Company was 32,140,496 (as at December 31, 2024 – 33,230,789).

The weighted average exercise price of the C\$ and US\$ denominated warrants was C\$6.63 and US\$7.50, respectively. The following table reflects all of the Company's warrants outstanding and exercisable as at December 31, 2025:

	<b>Warrants outstanding and exercisable</b>	<b>Exercise price</b>
January 27, 2026	2,615,500	C\$3.75
March 2, 2026 (March 2026 Warrants)	8,605,246	C\$7.50
September 19, 2026 (September 2026 Warrants)	20,919,750	US\$7.50
	<b>32,140,496</b>	

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During the first three months of 2026, 2,615,500 warrants expired on January 27, 2026, while all 8,605,246 of the March 2026 Warrants expired on March 2, 2026 without any exercises.

## 15. Stock options and share unit liabilities

The Company has a long-term incentive plan ("**LTIP**") that was last approved by the shareholders on July 24, 2024, at the annual and special general meeting of shareholders. The Company adopted the LTIP as a means to provide incentives to eligible directors, officers, employees and advisors. The LTIP facilitates the grant of stock options, RSUs, and PSUs, representing the right to receive one Common Share of the Company (and in the case of RSUs or PSUs, one Common Share of the Company, the cash equivalent of one Common Share of the Company, or a combination thereof) in accordance with the terms of the LTIP.

Additionally, the Company adopted a phantom share unit plan and a deferred share unit plan to provide additional incentives to eligible directors. The Company's phantom share unit plan facilitates the grant of Phantom Units to directors representing the right to receive the cash equivalent of one Common Share of the Company. The Company's deferred share unit plan facilitates the grant of DSUs to directors representing the right to receive the cash equivalent of one Common Share of the Company upon departure from the Company's Board of Directors. The DSUs are recorded as a current liability in the statements of financial position of the Company.

### *Stock options*

The following table reflects the continuity of stock options for the year ended December 31, 2025 and the year ended December 31, 2024:

	Number of stock options	Weighted average exercise price (C\$)
Balance, December 31, 2023	1,191,000	9.64
Grants	650,000	0.92
Forfeitures	(346,000)	2.72
Expiries	(338,667)	8.18
Balance, December 31, 2024	1,156,333	7.24
	Number of stock options	Weighted average exercise price (C\$)
<b>Balance, December 31, 2024</b>	<b>1,156,333</b>	<b>7.24</b>
Cancellation	(200,000)	0.87
Expiries	(674,333)	9.95
<b>Balance, December 31, 2025</b>	<b>282,000</b>	<b>5.28</b>

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For the year ended December 31, 2025, the Company recorded share-based compensation expense for these stock options of \$100 (year ended December 31, 2024 – \$404).

The following table reflects the Company's stock options outstanding and exercisable as at December 31, 2025:

Options outstanding	Options exercisable	Weighted average exercise price (C\$)	Weighted average remaining contractual life (years)	Expiry Date
50,000	50,000	3.75	0.25	March 31, 2026
72,000	72,000	14.13	0.92	December 1, 2026
10,000	10,000	15.43	1.03	January 10, 2027
150,000	-	0.87	3.53	July 11, 2029
<b>282,000</b>	<b>132,000</b>	<b>5.28</b>	<b>2.19</b>	

*RSUs, PSUs, Phantom Units, and DSUs*

The following table reflects the continuity of RSUs, PSUs, Phantom Units, and DSUs for the year ended December 31, 2025 and the year ended December 31, 2024:

	Number of RSUs	Number of PSUs	Number of Phantom Units	Number of DSUs
Balance, December 31, 2023	1,120,339	314,514	523,000	-
Granted	915,000	-	-	870,000
Forfeitures	(85,909)	(33,795)	-	-
Converted into Common Shares and cash	(918,336)	-	(386,328)	(270,000)
Balance, December 31, 2024	1,031,093	280,719	136,672	600,000
	Number of RSUs	Number of PSUs	Number of Phantom Units	Number of DSUs
<b>Balance, December 31, 2024</b>	<b>1,031,093</b>	<b>280,719</b>	<b>136,672</b>	<b>600,000</b>
Forfeitures	(196,804)	(10,277)	-	-
Expiries	-	(270,442)	-	-
Converted into Common Shares and cash	(222,621)	-	-	-
<b>Balance, December 31, 2025</b>	<b>611,668</b>	<b>-</b>	<b>136,672</b>	<b>600,000</b>

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During the year ended December 31, 2025, the Company granted nil RSUs and nil DSUs (year ended December 31, 2024 – 915,000 RSUs and 870,000 DSUs) to officers, directors, employees and advisors. During the year ended December 31, 2025, the PSUs reached the end of their performance period. As the applicable performance conditions were not achieved, these PSUs expired without any payment or share issuance.

As at December 31, 2025, the fair value of RSUs, PSUs, Phantom Units, and DSUs was \$769, of which the Company considers \$66 to be the current portion of the liabilities, with the remaining \$703 considered non-current.

For these RSUs, PSUs, Phantom Units, and DSUs, the Company recorded a share-based compensation expense of \$336 for the year ended December 31, 2025 (year ended December 31, 2024 – share-based compensation expense of \$435).

## 16. Key Management Personnel

Key management personnel are those people who have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company’s executive officers and members of the Board of Directors. The Company has no other related party transactions.

Remuneration of key management personnel of the Company was as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Salaries and fees <sup>(1)</sup>	\$ 374	\$ 1,536
Consulting fees <sup>(2)</sup>	-	55
Share-based compensation	159	872
Restructuring <sup>(3)</sup>	310	1,333
<b>Total</b>	<b>\$ 843</b>	<b>\$ 3,796</b>

(1) Salaries and fees paid to the executive officers and directors for their services.

(2) Consulting fees relate to amounts paid to a director of the Company for consulting services.

(3) Restructuring relates to severance and other termination benefits. Please refer to Note 6.

## 17. Financial instrument fair value and risk factors

### Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. During the year ended December 31, 2025, no transfers took place. During the year ended December 31, 2024, the preferred shares in Droneseed Co. were reclassified from Level 2 to Level 3 of the fair value hierarchy. This reclassification was driven by the increased passage of time between the reporting date and the initial transaction date, thus requiring a more comprehensive valuation approach, reflecting evolving market conditions and the availability of observable inputs.

The Company's financial instruments include cash, other receivables, carbon credit streaming and royalty agreements, Preferred Shares, accounts payable and accrued liabilities, warrant liabilities and derivative liabilities. The carrying value of cash, other receivables, and accounts payable and accrued liabilities approximates their fair value due to their short-term nature. Cash is measured at fair value based on Level 1 of the fair value hierarchy. Certain C\$ denominated warrant liabilities with a quoted trading price are valued based on Level 1 of the fair value hierarchy. Certain C\$ denominated warrant liabilities (Level 2) where no quoted prices exist have been valued using a Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, the spot market price of the Common Shares, volatility of the expected market price of the Common Shares and the expected life of the warrants (see Note 12). The Preferred Shares (Level 3) are valued by taking into consideration various observable and unobservable inputs, including changes in the performance of the investee, changes in the market price for carbon credits, changes in interest rates, changes in the valuation of comparable public-traded entities and evidence from other transactions in the investees' equity. Carbon credit streaming and royalty agreements and the derivative liabilities (Level 3) are valued by taking into consideration various observable and unobservable inputs, including the carbon credit production and sales profiles, the carbon credit pricing assumptions, an applicable risk-adjusted discount rate and other contractual terms of the agreements (see Note 8).

#### Risk Factors

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed are provided as follows:

##### *Carbon Market Risk*

Carbon market risk is the risk that the fair value of a financial instrument will fluctuate from changes in market forces including, but not limited to, interest rates, voluntary carbon credit prices, and timing and number of anticipated carbon credit deliveries and sales.

##### *Credit Risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the

other party to incur a financial loss. The Company's cash balance is held in credit-worthy financial institutions. Credit risk has been assessed as low.

#### *Currency Risk*

Foreign currency risk is the risk that the fair value of financial instruments will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk as it incurs certain expenditures that are denominated in Canadian dollars while its functional and presentation currency is the United States dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. As at December 31, 2025, the Company held cash of C\$38.0 million in Canadian dollars and had accounts payable and other monetary liabilities of C\$1.6 million in Canadian dollars. Assuming all other variables remain constant, a 5% weakening or strengthening of the US dollar against the Canadian dollar would result in a change of approximately \$1,264 to profit or loss.

#### *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on the cash held in its bank accounts. The income earned on the bank account is subject to the movements in interest rates. The Company has no-interest bearing debt. Therefore, interest rate risk has been assessed as nominal.

#### *Liquidity Risk*

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash balances. Under current market conditions and available cash on hand, liquidity risk has been assessed as low.

## 18. Commitments

In connection with the acquisition of carbon credit streaming and royalty agreements, the Company pays an upfront deposit to the project partner for the stream or investment. In certain instances, the payment of the upfront deposit is paid in installments, subject to certain milestones and conditions being met. While the timing of such payments is event-driven, the Company has made assumptions on the timing and likelihood of such payments, based on the information currently available. As at December 31, 2025, such conditions had not been met.

During the year ended December 31, 2025, the Company reassessed the likelihood of certain milestone-based payments under its carbon credit streaming and royalty agreements based on updated project information, contractual terms and its expected course of action. In the fourth quarter of 2025, the Company amended and restated the Azuero Reforestation Stream, which resulted in no further funding being required from the Company under the agreement. The Company also reassessed the Community Carbon Stream based on updated information regarding the underlying project plan and the Company's contractual rights in respect of milestone funding. Based on this reassessment, certain amounts previously disclosed as

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commitments do not represent present obligations of the Company and are not expected to result in an outflow of resources. Accordingly, these amounts have been excluded from the the Company's commitments, as the possibility of such payments is considered remote.

Under its carbon credit streaming agreements, the Company is typically required to make an ongoing delivery payment to the project partner for each carbon credit that is delivered to the Company and sold under the stream. The timing and amount of such payments are dependent on the timing of delivery and sale of carbon credits, the net realized price obtained on the sale of the carbon credits and the terms of the applicable carbon credit streaming agreement.

From time to time, the Company may enter into sales contracts with customers for the future sale of carbon credits. Under these agreements, payment and delivery of the credits may occur at a future date, once credits are delivered to the Company.

OR Royalties Inc. (formerly known as Osisko Gold Royalties Ltd) ("**OR Royalties**") and the Company entered into an investor rights agreement dated February 18, 2021 which governed various aspects of the relationship between OR Royalties and the Company (the "**IRA**"). Under the IRA, OR Royalties had various rights, including to participate in certain stream, forward sale, prepay, royalty, off-take or similar transactions between the Company, as purchaser and/or creditor, and one or more third-party counterparties and to nominate a director to the Company's board. OR Royalties previously participated in the Magdalena Bay Blue Carbon Stream, but did not exercise any of such other rights under the IRA. The IRA was automatically terminated in accordance with its terms in the third quarter of 2025.

In the second quarter of 2025, the Company initiated arbitration proceedings against Will Solutions Inc. ("**Will Solutions**") in connection with the termination of the Sustainable Community Stream. The termination, which was exercised by the Company in the third quarter of 2024, followed Will Solutions' failure to meet a key milestone related to the registration of its Ontario project and ongoing non-compliance with the project plan, including delays in development activities and lower-than-expected enrollment. In July 2025, Will Solutions filed a counterclaim in response to the arbitration. The Company believes the counterclaim is without merit and, based on its assessment of the facts and current legal advice, considers the probability of an economic outflow to be remote.

In April 2025, the Company sued several former executives, directors, consultants and associated entities the Ontario Superior Court of Justice. During the third and fourth quarters of 2025, certain defendants in the claim delivered counterclaims against the Company and certain acting directors and officers. During the first quarter of 2026, the Company delivered its replies to defences and defences to the counterclaim, as did the directors and officers. The Company has reviewed the counterclaims against it, and considers that the counterclaims are without merit and that it has defences against the allegations raised in the counterclaims. As a result of this assessment, and because an outflow of economic resources is considered remote and a reliable estimate of any possible obligation cannot be made at this time, no provision has been recognised in these Financial Statements.

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19. Income taxes

The income tax expense differs from the amount resulting from the application of the combined Canadian statutory income tax rate as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Loss before taxes	\$ (2,481)	\$ (67,369)
Statutory tax rate	27.00 %	27.00 %
Expected income tax expense (recovery) based on statutory rate	(670)	(18,190)
Adjustment to expected income tax (recovery) expense:		
Change in unrecognized deferred income tax assets and others	479	1,866
Loss on revaluation of carbon credit streaming and royalty agreements	279	15,702
Gain on dissolution of associate	-	(28)
Loss from investment in associate	-	7
Gain on contract settlement	(360)	-
Loss on revaluation of preferred shares	169	691
Impairment of early deposit interest receivable	-	83
Non-taxable gain on derivative liabilities	-	(184)
Non-taxable gain on warrant liability	(15)	(173)
Share-based compensation	118	227
<b>Total income tax (recovery) expense</b>	<b>\$ -</b>	<b>\$ -</b>

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	As at December 31, 2025	As at December 31, 2024
Carbon credit streaming and royalty arrangements	\$ 6,752	\$ 21,112
Non-capital losses	11,428	8,433
Exploration and evaluation assets	247	235
Investment in associate	-	-
Capital losses	4,524	-
Preferred shares	135	371
Share issuance costs	12	46
Unrealized loss on foreign exchange	(208)	(83)
	<b>22,890</b>	<b>30,114</b>
Unrecognized deferred income tax assets	(22,890)	(30,114)
<b>Deferred tax assets (liabilities)</b>	<b>\$ -</b>	<b>\$ -</b>

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The Company's significant temporary differences, unused tax credits, and unused tax losses that have not been recognized as deferred income tax assets as at December 31, 2025, are as follows:

	Exploration and evaluation assets	Non-capital losses
Expiry 2026 to 2044	\$ -	\$ 42,328
No expiry	\$ 914	\$ -

Tax attributes are subject to review and potential adjustments by tax authorities.

## 20. Supplemental cash flow information

	Year ended December 31, 2025	Year ended December 31, 2024
<b>Other non-cash adjustments</b>		
Foreign exchange (gain) loss	\$ (771)	\$ 310
Accretion (net of interest income on sub-lease)	2	1
Share-based compensation	436	616
Gain on dissolution of investment in associate	-	(104)
Loss from investment in associate	-	25
Other adjustments	-	3
<b>Total other non-cash adjustments</b>	<b>\$ (333)</b>	<b>\$ 851</b>

## Change in non-cash operating working capital items

Prepaid	\$ 353	\$ 223
Other receivables	791	67
Carbon credit inventory	6	191
Accounts payable and accrued liabilities	(195)	(450)
<b>Total change in non-cash operating working capital items</b>	<b>\$ 955</b>	<b>\$ 31</b>

## 21. Subsequent Events

Subsequent to December 31, 2025, in March 2026, the Company entered into the Community Carbon Buyout Agreement for a total consideration of \$6,000. The consideration of the Community Carbon Buyout Agreement consists of a non-refundable deposit of \$100 which was paid on March 23, 2026, a closing payment of \$4,900 payable on or before May 30, 2026, and \$1,000 for the purchase of carbon credits held in inventory, payable in four installments on or before July 1, 2026, October 1, 2026, January 1, 2027 and April 1, 2027. The purchaser may elect to accelerate the purchase of the carbon credit inventory. As the

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Community Carbon Buyout Agreement was entered into subsequent to the reporting date, it has been disclosed as a subsequent event and may result in the recognition of a gain on contract settlement in a future reporting period.